Available online at www.sciencedirect.com

ScienceDirect

Transportation Research Procedia 51 (2020) 323–332

Transportation Research Procedia

www.elsevier.com/locate/procedia

9th International Conference on Air Transport – INAIR 2020, CHALLENGES OF AVIATION DEVELOPMENT

Viewing the Middle East big three (MEB3) carriers as heterogeneous

Clive Aquilina-Spagnol[a]*, Darren Ellis[a], Romano Pagliari[a]

[a]*Cranfield University, Martell House (Building 300), Cranfield MK43 0AL, United Kingdom*

Abstract

This paper considers the Middle East big three (MEB3) carriers – Emirates Airline, Etihad Airways and Qatar Airways – from the perspective of heterogeneous strategic decisions and future trajectories. This paper is based on an ongoing doctoral research project covering the topic. The rise of the MEB3 and their growing global impacts have seen the three major carriers very often analysed together, with little scholarly focus on differences and individual airline strategic decision-making. Emirates has typically dominated discussion and analysis, not surprising given its sheer size and global influence, but with Etihad and Qatar simply presented as imitators and followers alongside. Likewise, the ongoing blockade of Qatar by neighbouring countries including the United Arab Emirates (UAE), has tended to be viewed as a regional political dispute and not as something likely to fundamentally change the MEB3's apparent collective strategic goals and aspirations. The strategic analysis underpinning this paper is predicated on events and trends up to the end of 2019 before the COVID-19 pandemic became a global challenge. Each of the MEB3 is analysed individually and against a set of core strategic forces and factors in order to identify the extent to which there is homogeneity and heterogeneity in their respective strategic and business propositions. These carriers are also compared with each other; this allows for an evaluation of the strategic path of each airline, as opposed to mere profiling. This strategic analysis de-links each individual airline from the typical group analysis which occurs when the MEB3 acronym is employed and it critically challenges a common analytical approach which tends to perceive each carrier as part of a homogenous bloc. Key insights surrounding strategic differences are arguably as salient as when derived from viewing all three carriers as essentially the same or similar.

Keywords: Middle East big three (MEB3); major Gulf carriers; heterogeneous trajectories; strategic industry analysis

* Corresponding author. Tel.: +356-9982-3502
E-mail address: c.aquilina-spagnol@cranfield.ac.uk

10.1016/j.trpro.2020.11.035

1. Introduction

This paper outlines and explains the ongoing evolution of a doctoral research study investigating the strategic trajectories of the Middle East big three (MEB3) carriers – Emirates Airline, Etihad Airways and Qatar Airways. The acronym "MEB3" was first coined by aviation consultants at anna.aero (2011). The MEB3 are also referred to as the "three major Gulf carriers" (Ellis, 2019), the Arabian Gulf carriers (O'Connell, 2011) and the Middle East carriers (Fan & Lingblad, 2016). There has also been some use of the label Persian Gulf carriers (Jory, Benamraoui, Tunahan, Citci, 2019); with Iran being particularly sensitive about ensuring the term 'Persian' is the only prefix to be aligned with the Gulf region, while Arab countries have been much less inclined to adopt this categorization. Halliday (1996) explicitly refers to Arabs and Persians as distinct.

The acronym MEB3 is used in this paper and associated doctoral study as it is easy to remember, relatively widely employed (especially in the aviation industry and media), and it readily and succinctly portrays a sense of homogeneity. It is this homogeneity that the paper and wider study seeks to unpack and challenge, and as such it seems only appropriate to place this common terminology at the heart of the research.

2. Scholarly work on the MEB3

The bulk of the academic literature covering the MEB3 is relatively recent, spanning a timeframe extending back around 15 years. This is not surprising given that newer air markets generally are yet to receive the same attention as the larger and more mature airline markets in the United States, Europe and Asia which have experienced many decades of growth and development (Dobruszkes & Graham, 2016).

2.1. Research on the MEB3

The most extensive research on the MEB3 is with little doubt represented by the work of O'Connell (O'Connell, 2006, 2011, 2012, 2015; O'Connell & Bueno, 2018; Murel & O'Connell, 2011; O'Connell & Williams, 2010). In his analysis of Emirates, he highlights three key attributes behind the success of the MEB3, with the first one being the development of mega-hubs through the related network coordination and expansion of sixth freedom traffic (O'Connell, 2011). The successful adoption and operation of a hub and spoke model as a key pillar of the MEB3 success is also supported by Hooper, Walker, Moore and Al Zubaidi (2011). Access to these traffic flows has resulted in the evolution of hour-glass shaped global networks for the MEB3, as highlighted by de Wit (2014); and as O'Connell (2011) notes, these are built on a balancing of traffic numbers across either side (or sides) of the hub. O'Connell (2011) also highlights the key attributes of "competitive cost structure" enjoyed by the MEB3, along with their globally recognized brands (pp. 343 & 345).

2.2. The research gap

Much still remains to be studied in relation to the MEB3. This reality is underpinned by two broadly applicable truisms; firstly, the historical record and associated data trail of the MEB3 are relatively short. All three carriers are broadly newcomers to the airline industry with Emirates being the only one which has been around for 35 years; the other two are less than 25 years old. This fact put in perspective means that the industry had already witnessed (i) the start of airline privatisations (ii) the air transport market deregulation and liberalization in the USA and Europe, and (iii) the onset and growth of low cost carriers (LCCs). This timing undoubtedly did not help the MEB3 to be the subject of scholarly research of choice.

Moreover, with the MEB3 being the flag carriers of Gulf Kingdoms, their domicile initially relieved them from the requirements of financial and market transparency in contrast to most of their Western counterparts. Indeed, Emirates only published its first Annual Report in financial year (FY) 1993-1994, while Qatar Airways issued its first in FY2014-2015. Although all three airlines have now increased and improved their levels of communication and public relations, within the intra-Gulf region's political, competitive and cultural context data and information released by the MEB3 still needs to be dealt with in a cautious and careful manner.

Secondly, most of the existing research and literature covering these three carriers are predominately focused on a homogenous grouping, rather than within a framework of individual and discrete assessments and analysis. In fact, the only very recent contribution to briefly acknowledge that the business models of the MEB3 should not be considered "as homogenous" is that of Gergely (2020). The key insights likely to be generated when a heterogeneous approach is adopted are potentially quite substantial.

3. Research background

This paper and ongoing doctoral study are premised on the extant scholarly literature covering the MEB3, applied and viewed from a heterogeneous perspective. It is envisaged that the research will be primarily based on qualitative in-depth semi-structured interviews with global aviation industry experts. These interviews may also be supported with focus groups and/or a survey. It is expected that the interview data will be thematically analyzed to uncover key themes and sub-themes in order to generate important insights into the different strategic logics of the MEB3, along with the broader Middle East region and its main carriers. At this stage in the study, the core scholarly literature provides a valuable sense of the central similarities and differences between the MEB3, and a foundation on which to better understand the likely implications and insights available when a heterogeneous disposition guides the research into these three carriers.

The paper's authors all have a significant amount of knowledge and professional experience in the region, and these continue to shape aspirations around developing deeper and richer insights into the strategic trajectories of the MEB3. Given the continuing COVID-19 global pandemic, the future prospects for the MEB3 appear more fragmented and unclear than at any other point in the past. Understanding how and why the strategic paths of the MEB3 appear to be diverging presently, holds important implications and parallels for major airlines around the world, particularly when a post-pandemic industry begins to emerge (Suau-Sanchez, Voltes-Dorta & Cugueró-Escofet, 2020). This study aims to encourage a more holistic and multi-dimensional view of the MEB3, with this specific paper focused on establishing a firm foundation to collect, collate and analyze a considerable repository of expert data in the not too distant future.

4. Strategic similarities

The MEB3 have been predominantly analyzed in a manner that presents them as being together within a similar grouping, or at times as even virtually clones of each other. This amalgamated characterization is by no means without foundation, and there are a range of defensible reasons for doing so.

4.1. Geographical position

Each of the MEB3 operates out of its own hub suitably positioned geographically along air routes connecting Europe with Asia and Australasia, and Asia and Australasia with Africa. In 2010 The Economist dubbed this the aerial version "of the new silk road" (The Economist, 2010). Douglas (2019) refers to the MEB3's geographical location as affording them a country specific competitive advantage. With the aircraft technology available at present, in terms of range and payload, their hubs make it possible to break up a long journey time at an ideal interval for the traveler. Two-thirds of the world's population is accessible from their hubs by an eight-hour flight, and one-third of the world's population by a four-hour flight (Dubai International Airport, 2020). None of the hubs has any significant advantage over the other given their close proximity, although the ability to drive relatively quickly between Abu Dhabi and Dubai should be noted.

The success of developing an airport hub hinges on five factors according to Doganis (2010): (i) central geographic location for the markets served (ii) ample runway capacity, (iii) a terminal building dedicated for use by the hub-based airline (iv), sufficient local demand (v) and a strong hub-based airline. Likewise Graham (2014) lists two pre-requisites already identified above (i) central geographical position, and (ii) ample runway capacity to handle coordinated schedules of inbound/outbound flights. Taneja (2017) references Emirates as an example when highlighting the importance of location in any airline business model.

4.2. Super connectors

The decision of both the UAE and Qatar in the early years of their economic development planning to build mega airports, simultaneous to the establishment of flag carriers with super connector ambitions, was taken on the realization that their home markets are too small to sustain a major airline, and thus followed what Singapore and the Netherlands had already achieved with their respective national airlines. Super connector aspirations necessitate an associated commitment by states to provide sufficient airport infrastructure in terms of not only scale and quality, but also the provision of the necessary systems that enable transfers between flights operating to and from different regional markets (Fan & Lingblad, 2016; Carey, 2015; Oum, Taylor & Zhang, 1993). Inevitably, this hub infrastructure is to be complemented by a carrier operating “a one stop to anywhere network of destinations” serving other key hubs as well as second tier cities (Alamdari, 2011), as in the case of Dubai (DXB), Abu Dhabi (AUH) and Doha (DOH) airport hubs. Clark (2017) remarks that at DXB, Emirates succeeds in conducting “huge connectivity” (p . 8).

4.3. Airport-Airline relationship

In his analysis of Emirates’ business model, O’Connell (2011) also points to the symbiotic relationship between the airport and airline, highlighting how the multiple roles of the Ruler of Dubai in his capacities as Chairman of both Emirates Airline the Dubai Civil Aviation Authority (owner and regulator of DXB and Dubai World Central Airport; DWC), guides the civil aviation policy for the Emirate of Dubai. This ensures a sufficient degree of vertical integration across the aviation sector to ensure that the airport and the airline pursue complementary business strategies. Similar levels of symbiotic relationship also exist with regard to Etihad Airways and Qatar Airways in their respective host cities of Abu Dhabi and Doha (Henderson, 2014).

Not only do the MEB3 have a symbiotic ownership relationship with the infrastructure they use, but this infrastructure comes in generally good supply. This had provided an advantage over European carriers, for example, where congestion and infrastructure limitations are faced, such as night curfews, slot constraints and ageing infrastructure which act to restrict and hamper operations (Douglas, 2019). Douglas (2019) observes that in this respect, the MEB3 have to some extent duplicated a business model already followed in South East Asia in two key aspects: (i) super-connecting with sixth freedom long-haul traffic, and (ii) having national aviation infrastructure planned, developed and expanded in tandem with the airlines’ network expansion (rather than as a consequence of that growth). Piltz, Voltes-Dorta and Suau-Sanchez (2018) observe that an advantage enjoyed by the MEB3 in their own hubs is that flight connections through these hubs are almost exclusively operated by the home carriers, resulting in better slots for the MEB3.

4.4. State ownership and national development

Across all three MEB3 carriers, ownership is vested in its totality in the hands of the state, affording the airlines sufficient financial resources and support. In addition to financial assistance, states ensure that their respective airlines receive the necessary support to enable expansion, and also that ambitions and aspirations are not constrained or hampered by government regulation in the form of capacity expansion, planning consent and employment permits, regulatory approval, legislation and policy. The ease with which the MEB3 are able to expand contrasts sharply with the experience of their competitors in Europe and the US. The network expansion ambitions of British Airways and Virgin Atlantic have to a large extent been constrained by delays embedded in the UK’s political and planning systems in respect of Heathrow Airport’s proposal for a third runway. Using this UK context as a prime illustration, O’Connell and Bueno (2018) highlight the significant “cost of [CAA] regulation”, the “layers of complexity and bureaucracy” (p. 264) in the face of a strategic vision for future development, and the levying of passenger taxes on long-haul flights at UK airports – each standing in dramatic contrast to the support aviation receives from the respective national stakeholders in the Gulf region.

What makes state ownership so special in the case of the Gulf carriers is that it allows for the airline group they are part of to be strategically managed in order to fulfil a wider national ambition or project. In this manner, the business environment and framework, including the resources and support available, create business synergies for the airline along with the ability to integrate more broadly across the aviation and travel value chain, as well as across the hospitality and retail industries. So their growth and development are aligned with the strategic vision of their respective state. Referring to Emirates Airline and DXB being both state-owned, Derudder and Witlox (2016) contend that this translates into a guarantee of a favourable political environment. This favourable environment equally benefits the state and the wider economy. Like Emirates with Dubai, Etihad as the official UAE national carrier promotes Abu Dhabi as an attractive tourist and business destination, and in doing so, it not only attracts inbound but also transit tourism (Squalli, 2014). Alkaabi (2016) argues that transit traffic in Abu Dhabi, like in the case of Dubai and Doha, is a result of a number of tourism projects being deliberately developed with this outcome in mind.

5. Strategic differences

A number of strategic decisions and developments over recent years have hinted at the increasingly divergent paths that each of the MEB3 carriers have adopted, and most likely will adopt into the foreseeable future and beyond, especially as the COVID-19 global pandemic eventually dissipates.

5.1. Global airline alliance membership & partnerships

One central strategic area which clearly demonstrates the heterogeneity amongst the MEB3 surrounds the differing policies and actions concerning global alliance membership and also strategic partnerships (Ellis, 2019). As the biggest of the MEB3, and after an unsuccessful decade long experience with an equity stake in Sri Lankan Airlines, Emirates has no evident appetite for alliance entanglements. As of January 2020, Emirates was valued at USD 6.8 billion as a brand alone (Brand Finance, 2020), making it the most valuable airline brand in the world. Heasley (2010) quoted by Squalli (2014) lists Emirates' high quality of service, alongside independence and flexibility as key reasons explicitly stated by the airline for choosing not to join a global alliance.

Although low cost carrier (LCC) flydubai has been operating in and out of DXB for over ten years – both airlines sharing the same state owner – it had been managed independently and separately, at times in competition with Emirates on some short/medium haul routes. It was only in 2017 that both airlines decided to cooperate extensively with the common aim to develop the DXB network further (Emirates Airline, 2017). This code-share agreement is one of 21 which Emirates is actively pursuing at present, but retains particular significance because it opens up its network to flydubai to reach a combined network of 216 destinations (Emirates Airline, 2019a). Emirates has far fewer codeshare and bilateral agreements than its counterparts Etihad and Qatar Airways, and to date has unequivocally asserted a strategy of organic growth (Emirates Airline, 2020). Even so, Emirates and Qantas did strike a strategic and revenue sharing joint venture in 2012 despite the latter's earlier resistance to a partnership with an MEB3 carrier (Green, 2016). This bilateral strategic partnership with Emirates saw Qantas initially substitute Dubai for Singapore as Qantas' stopover for its European destinations (Hume, 2012). This co-operation entrenches Emirates' position out of the big three global alliances – at least for the foreseeable future – given such ventures tend to help large network carriers to consolidate long haul operations at hub airports without the need to join an alliance (Graham & Morrell, 2017).

Meanwhile, Etihad has pursued a quite divergent strategy opting instead to build its own global alliance through a number of airline equity investments spanning across member airlines in Star Alliance, SkyTeam, oneworld, and others, rather than join one of the big three global alliances itself. Instead, Etihad created what it termed the Etihad Equity Alliance in 2013. Early on, this unique alliance model was considered by some industry watchers to be an industry re-definer (Kingsley Jones, 2013). As somewhat of a latecomer to the industry, to some extent with a less developed network compared to Emirates and Qatar Airways, Etihad has relied on partnerships for its growth, in order to feed traffic through its Abu Dhabi hub from mostly Europe, South Asia and Oceania. With the demise of its Indian partner Jet Airways, Alitalia's perennial financial problems, the bankruptcy of Air Berlin, and the more recent insolvency and re-structuring at Virgin Australia, Etihad's partnerships and future prospects more generally have been called into question. For the last four-year period 2016 to 2019, Etihad cumulatively lost over USD 5 billion (Etihad Airways, 2020), turning what was once hailed by its CEO of the time as a "smart business"

(Australian Aviation, 2016) into a “sea of red ink” (Goldstein, 2019). For Etihad, accelerated growth to achieve parity with its regional counterparts has now gone from a strategic solution to a pathway to accelerated losses.

Qatar Airways singles itself out from the MEB3 cohort by its membership of the oneworld global alliance in 2013, having been sponsored by British Airways to join (Sandle, 2015). This membership has not only provided Qatar Airways with increased market access, but also the opportunity to build its global network with the help of other large network carriers. It was observed that in its first year of oneworld membership, Qatar Airways witnessed accelerated growth (CAPA, 2016). Qatar Airways has also continued to progressively increase its codeshare agreements, counting 24 active to date across all continents (Qatar Airways, 2020). Its recent success in concluding a new codeshare agreement with American Airlines, along with a growing array of substantial equity stakes, demonstrates Qatar Airways’ aim to seek out wide-ranging and considerable international cooperation (Horton, 2020).

5.2. Product Offering

There is a collective impression amongst many international airline passengers that the MEB3 product offering is superior to that offered by most of their key competitors.

Product differentiation is at the core of each of the MEB3’s product strategy, with each airline keen to distinguish themselves not only from other key competitors, but also from each other. With on-board lounges, showers, fine dining, luxury products and designer amenity kits for passengers in first and business class, Emirates has clinched numerous industry awards (Emirates Airline, 2019b), and challenged its Asian competitors head-on in the process. Whilst some of these product features are not unique to Emirates, it was the one to be classified as the corporate innovator in the Middle East (Emirates Airline, 2018a); being the first behind many products and services such as the on-board bar in 2008 (Chamberlin, 2020), and according to the airline itself, for in-flight entertainment (IFE) with in-seat personal screens across all cabin classes in 1992 (Emirates Airline, 2018b). Clark refers to the importance of the aircraft cabin as a tool in product differentiation (Clark, 2017), and operating the largest fleet of A380 super-jumbos worldwide is central to Emirates’ strategy of product differentiation.

The ambitions behind Qatar Airways’ relaunch in 1997 were not only to imitate the scale and success of Emirates, but also to surpass it by aiming to be the best airline in the world (Anderson , 2015). The airline’s ambition is summed up in its past tagline of “World’s 5 Star Airline” drawing on Skytrax’s rating for the airline for its onboard and airport product (Skytrax, 2020). This tagline was implemented and supported with significant fleet upgrades and product enhancements, including being the launch customer of the A350 in 2014 (Cripps, 2014), followed by the move to the new Hamad International Airport (HIA). Qatar Airways predominantly offers a two class cabin service, with first class offered only on its A380s. To compensate for the absence of first class service across almost its entire fleet, Qatar Airways claims to offer a first class service for a business class fare (ITP Business Publishing, 2012). One reason why first class is disappearing regionally and globally according to Clark (2017) is that most of the extras once only available to first class are now available in business.

On the other hand, Clark refers to Emirates as “a supporter of First class” with a three-class cabin service on both its aircraft types across almost its entire network (Clark, 2017, p. 130). This difference in cabin service is significant when Emirates claims that first and business class comprise 12% of their seats offered, but which generate around 40% of their revenue. In 2018, it offered 310,000 seats in first class, and then 600,000 in 2019 (Bailey, 2019).

As much as Emirates claims to be the so-called innovator (Doganis, 2010), Etihad has gone a step further in its luxury proposition through the ‘Residence by Etihad’ launched in 2014; an apartment space together with the services of a Savoy trained personal butler (Carmela, 2018). To date this luxury in first class remains unparalleled (Carmela, 2018). Yet paradoxically, Etihad is also the first to simplify its product offering, from airport lounges to on-board service. Its latest tagline “Choose Well” is intended to reflect the benefit of customisation afforded to its passengers by recognising their decision-making power and inviting them to make their own choices (Etihad Airways, 2018). Introducing limited buy on-board menu in economy class on some routes (Caswell, 2017), and eliminating the free limousine service in first and business class. All these recent product modifications have led to changes in customer perspective. Etihad is seen as unique in its aggressive cost cutting across its premium offering (Schlappig, 2018); a perception which is inconsistent with its own carefully cultivated product strategy of luxury innovation, and the broader service quality expectations of the MEB3.

5.3. The Qatar blockade

The generally homogenous representation of the MEB3 was suddenly challenged in June 2017 when Qatar's neighbours imposed an air, sea and land blockade on the country. The still ongoing blockade involves four Gulf Cooperation Council (GCC) countries, the UAE, Saudi Arabia, Bahrain and Egypt, in a diplomatic dispute which is one of the most challenging and deepest internal splits within the GCC to date. Oman and Kuwait continue to adopt a neutral position. The parties involved are locked in a stalemate that is progressively evolving into a status quo, with no clear end in sight. The mistrust between the Gulf States involved is forecast to be long-lasting (Kinninmont, 2019).

As a result, Qatar lost all of its outward/inward transport routes, except for two flight corridors and its sea routes via the Persian Gulf. Once the blockade was imposed, and with immediate effect, Qatar Airways could no longer fly to the blockading countries, losing 20% of its seat capacity as a result (Kerr, 2017). Furthermore, Qatar's own airspace is very limited with its majority falling under the Bahrain flight information region (FIR), an arrangement that dates back to the pre-independence era. Consequently, Qatari registered aircraft are only allowed to use a couple of corridors for all Qatar outward and inward flights. Besides its impacts on capacity, given aircraft cannot overfly the airspace of the blockading countries or operate to them, Qatar Airways flights heading westwards or to the airline's latest target continent of Africa (Qatar Airways, 2016), have to take longer routes at greater operational costs to the airline.

Qatar Airways also accelerated its traffic rights negotiations since the blockade, launching 31 new destinations (Qatar Airways, 2019) to compensate for the 18 it had lost, with Qatar being the first Gulf country – and the only one to date – to reach an open skies agreement with the European Union (EU) (European Commission, 2019). The airline also intensified its acquisitions of minority stakes in other airlines in an attempt to make up for fast declining profits, reportedly these equity stakes amounted to USD 709 million for the two fiscal years since the blockade (Dudley, 2020). Aeropolitical tensions between Qatar and the US have also been "eased by an agreement between Qatar and the USA over open skies"; while the recent COVID-19 induced liquidation of Air Italy – another key sticking point – has resulted in closer ties with fellow oneworld member American Airlines (Dunn, 2020, para. 3). Meanwhile, Qatar Airways is differentiating itself from its MEB3 rivals, particularly Emirates, by seeking to increase its global traffic share during the current pandemic as well (Horton, 2020).

6. Conclusions

The MEB3 provide salient and valuable key industry insights when viewed heterogeneously, arguably as much as when a traditional and typical homogenous approach has been adopted. It is understandable in many ways that the MEB3 are grouped together; after all they are based in close proximity to each other, and have for many years appeared to be pursuing similar growth trajectories based on a central hub airport and connecting international traffic flows. The UAE has also invested heavily in tourism and continues to build a solid reputation as a destination in its own right. State ownership, national development priorities, and oil and gas wealth – amongst other core factors – have helped each state to build a global reputation for luxury and affluence, with each airline helping to project a strong image overseas.

Nevertheless, the Qatar blockade which began in mid-2017 has become emblematic of significant intra-regional differences that are also reflected in the key contemporary strategies of the MEB3. Admittedly though, strategic differences were evident for these three carriers before then. Emirates Airline, Etihad Airways and Qatar Airways are not as similar as the MEB3 acronym suggests; they are not simply clones of each other, but are borne out of the differences of their home states, as much as out of their similarities. The Gulf States are no strangers to political tensions and oil revenue drops; rather, over the past five decades they have demonstrated significant in-built resilience. Yet the unprecedented blockade against Qatar forced this independent emirate to chart its own strategy of self sufficiency, with Qatar Airways pivotal for the survival and evolution of its home state. The 2020 pandemic added to this three year old drama, dictating further strategical shifts for the airline. Simultaneously, COVID-19 is also challenging the Gulf aviation hub model forcing both Emirates and Etihad to rethink their strategies like never before.

6.1. Limitations of the research

In a dynamic global industry such as aviation understanding the past is challenging enough; however, identifying key present trends and realities arguably even more so, and forecasting the future some would contend remains near impossible. Add a global pandemic to the mix, and soon the difficulties seem insurmountable. This being the case, this study's focus on key industry insights helps to mitigate a number of these core issues. Although ironclad predictions would be unwise at present (or at any time for that matter), the strategic trajectories of the MEB3 can still yield important and valuable insights, especially if a heterogeneous disposition is adopted at the outset.

6.2. Further research

A focus on the MEB3 should not only take into consideration each carriers' individual strategic context and trajectory, but also those of key regional competitors such as Turkish Airlines and Ethiopian Airlines – both referred to as the 'other Gulf carriers'. In addition, Saudia Airlines is experiencing somewhat of a resurgence of late, and may yet challenge a number of the MEB3 in the not too distant future. Lastly, the consequences and implications of the global COVID-19 pandemic will undoubtedly generate research into areas hard to fully imagine at present, and the MEB3 will likely feature heavily in these future scholarly investigations.

Acknowledgements

The authors would like to thank two anonymous reviewers for their helpful and valuable feedback.

References

Alamdari, F., 2011. Can Gulf Carriers Sustain Their Current Growth Rate? In: O'Connell, J.F., & Williams, G., 2011. Air Transport in the 21st Century Key Strategic Developments. England: Ashgate, 15-18.

Alkaabi, K. A., 2014. Geographies of Middle Eastern Air Transport. In: Goetz, A.R., Budd, L., 2014. The Geographies of Air Transport. New York: Routledge, 231-246.

Anderson, R., 2015. Exclusive: Akbar Al Baker on Qatar Airways' climb to the top, Gulf Business, November 29. Available at https://gulfbusiness.com/akbar-al-baker-on-qatar-airways-climb-to-the-top/

anna-aero, 2011. The great 'MEB3' analysis: Emirates, Etihad, Qatar networks and fleets compared, anna-aero, 23 February. Available at https://www.anna.aero/2011/02/23/the-great-meb3-analysis/

Australian Aviation, 2016. Etihad Says Partnerships Supported Record Year of Profit in 2015, 28 April, Australian Aviation. Available at https://australianaviation.com.au/2016/04/etihad-says-partnerships-supported-record-year-of-profit-in-2015/

Bailey, J., 2019. First Class is Disappearing from Airlines, Simple Flying, April 5. Available at https://simpleflying.com/first-class-disappearing/

Brand Finance, 2020. Inaugural Report on UAE's 25 Most Valuable Brands Ranks ADNOC, Etisalat, Emirates in Top Spots, Brand Finance. Available at https://brandfinance.com/press-releases/inaugural-report-on-uaes-25-most-valuable-brands-ranks-adnoc-etisalat-emirates-in-top-spots/

CAPA, 2016. Gulf 3 airline growth Emirates steady, Qatar airways Accelerates and Etihad Airways slows, Centre for Aviation, 8 April. Available at https://centreforaviation.com/analysis/reports/gulf-3-airline-growth-emirates-steady-qatar-airways-accelerates--etihad-airways-slows-275457

Carey, S., 2015. US Airlines battling Gulf carriers cite others' experience, Wall Street Journal, March 16. Available at https://www.wsj.com/articles/u-s-airlines-battling-gulf-carriers-can-cite-experience-of-others-1426543971.

Carmela, J., 2018. Luxury Brand Innovation in Aviation: The Interesting Case of Etihad Airways. World Travel Market: Global Hub, October 24. Available at https://hub.wtm.com/luxury-brand-innovation-in-aviation-the-interesting-case-of-etihad-airways/

Caswell, M., 2017. Etihad launches "buy on board" choices. Business Traveller, December 11. Available at https://www.businesstraveller.com/business-travel/2017/12/11/etihad-launches-buy-board-choices/

Chamberlin, C., 2020. Behind the design and evolution of Emirates' Airbus A380 bar, Executive Traveller, January 8. Available at https://www.executivetraveller.com/news/emirates-airbus-a380-inflight-bar-design-evolution

Clark, P., 2017. Buying the Big Jets, third edition. New York: Routledge.

Cripps, K., 2014. First Airbus A350 XWB delivered to Qatar Airways, CNN Business Traveller, December 23. Available at https://edition.cnn.com/travel/article/qatar-airways-a350-delivery/

de Wit, J. G., 2014. Unlevel playing field? Ah yes, you mean protectionism. Journal of Air Transport Management, 41, 22-29. doi: http://dx.doi.org/10.1016/j.jairtraman.2013.11.012.
Derudder, B., Witlox, F., 2016. Global Cities and Air Transport. In: Goetz, A.R., Budd, L., 2016. The Geographies of Air Transport. New York: Routledge, 103-123.
Dobruszkes, F. & Graham, A., 2016. Air transport liberalisation and airline network dynamics: Investigating the complex relationships, Journal of Transport Geography, 50, 1-3. doi: http://dx.doi.org/10.1016/j.jtrangeo.2015.08.004.
Doganis, R., 2010. Flying Off Course, Airline Economics and Marketing, fourth edition. New York: Routledge.
Douglas, I., 2019. Do the Gulf airlines distort the level playing field? Journal of Air Transport Management, 74, 72-79. doi: https://doi.org/10.1016/j.jairtraman.2018.09.008.
Dubai International Airport, 2020. Infographic. Dubai International Airport (DXB). Available at https://www.dubaiairports.ae/docs/default-source/pdf/dubaiairports_infographic-pdf.pdf?sfvrsn=2
Dudley, D., 2020. Losses Soar At Qatar Airways As Neighbour's Boycott Bites Even Harder, Forbes, January 16. Available at https://www.forbes.com/sites/dominicdudley/2020/01/16/losses-soar-qatar-airways/#5656c13b7b49
Dunn, G., 2020. Qatar strikes deal to restore American Airlines partnership, FlightGlobal, February 25. Available at https://www.flightglobal.com/strategy/qatar-strikes-deal-to-restore-american-airlines-partnership/136908.article
Ellis, D., 2019. The strategic context of the three major Gulf carriers, Transportation Research Procedia, 43, 188-198. doi: https://doi.org/10.1016/j.trpro.2019.12.033.
Emirates Airline, 2017. Emirates and flydubai join forces, announce extensive partnership agreement, Emirates Airline, July 17. Available at https://www.emirates.com/media-centre/emirates-and-flydubai-join-forces-announce-extensive-partnership-agreement/
Emirates Airline, 2018a. Emirates sets the bar high by winning Global Finance's Corporate Innovator for the Middle East 2018, Emirates Airline, September 26. Available at https://www.emirates.com/media-centre/emirates-sets-the-bar-high-by-winning-global-finances-corporate-innovator-for-the-middle-east-2018/
Emirates Airline, 2018b. Emirates wins 14th consecutive World's Best In Flight Entertainment award at Skytrax World Airline Awards 2018, Emirates Airline, July 18. Available at https://www.emirates.com/media-centre/emirates-wins-14th-consecutive-worlds-best-inflight-entertainment-award-at-skytrax-world-airline-awards-2018
Emirates Airline, 2019a. Emirates and flydubai partnership reaches new heights, Emirates Airline, January 16. Available at https://www.emirates.com/media-centre/emirates-and-flydubai-partnership-reaches-new-heights#:~:text=Currently%2C%20the%20combined%20networks%20of,reaching%20global%20connectivity%20via%20Dubai.
Emirates Airline, 2019b. Emirates wins Best First Class at 2019 Trip Advisor Travelers' Choice awards for Airlines, Emirates Airline, April 3. Available at https://www.emirates.com/media-centre/emirates-wins-best-first-class-at-2019-tripadvisor-travelers-choicer-awards-for-airlines/
Emirates Airline, 2020. FAQs: Codeshares, Emirates Airline. Available at https://www.emirates.com/mt/english/help/faqs/with-which-airlines-does-emirates-operate-codeshare-flights
Etihad Airways, 2018. Etihad launches new brand platform: 'Choose Well', Etihad Airways, Ethos Consultancy, November 13. Available at https://www.etihadhub.com/en-ae/news-list/general_news/choose-well
Etihad Airways, 2020. Reports, Etihad Airways. Available at https://www.etihadaviationgroup.com/en-ae/home-corporate/reports.html
European Commission, 2019. EU and Qatar reach aviation agreement, European Commission: Mobility and Transport, March 4. Available at https://ec.europa.eu/transport/modes/air/news/2019-03-04-eu-and-qatar-reach-aviation-agreement_en
Fan, T. P. & Lingblad, M., 2016. Thinking through the meteoric rise of Middle East carriers from Singapore Airlines' vantage point, Journal of Air Transport Management, 54, 111-122. doi: http://dx.doi.org/10.1016/j.jairtraman.2016.04.003.
Gergely, M., 2020. Fair Competition in International Air Transport. Air & Space Law. 45, 1, 1-28. Kluwer Law International BV, The Netherlands.
Goldstein, M., 2019. Etihad's Airline Investments: A Sea of Red Ink, Forbes, May 2. Available at https://www.forbes.com/sites/michaelgoldstein/2019/05/02/etihads-airline-investments-a-sea-of-red-ink/#33a745bd2f78
Graham, A., 2014. Managing Airports, An International Perspective, fourth edition. New York: Routledge.
Graham, A. & Morrell, P., 2017. Airport Finance and Investment in the Global Economy, first edition. New York: Routledge.
Green, J., 2016. The Gulf Carriers Successful Game Changers Or Subsidised Old Guard, AirwaysMag, May 30. Available at https://airwaysmag.com/best-of-airways/gulf-carriers-successful-game-changers-subsidized-old-guard/
Halliday, F., 1996. Arabs & Persians beyond the Geopolitics of the Gulf. Cahiers d'études sur la Méditerranée orientale et le monde turco-iranien [Study notebooks on the Eastern Mediterranean and the Turkish-Iranian world]. Available at https://journals.openedition.org/cemoti/143.
Heasley, A., 2010. Lone Emirates still flying high on luxury. The Age, November 1.
Henderson, J. C., 2014. Global Gulf Cities and Tourism: A Review of Abu Dhabi, Doha and Dubai, Tourism Recreation Research, 39,1. doi: 107-114. doi: http://dx.doi.org/10.1080/02508281.2014.11081329.
Hooper, P., Walker, S., Moore, C., Al Zubaidi, Z., 2011. The development of the Gulf region's air transport networks – the first century, Journal of Air Transport Management. 17, 6, 325-332. doi: https://doi.org/10.1016/j.jairtraman.2011.02.001.
Horton, W., 2020. Qatar Airways has the resilient strategy Emirates needs for Covid-19, Forbes, July 2. Available at https://www.forbes.com/sites/willhorton1/2020/07/02/qatar-airways-has-the-resilient-strategy-emirates-needs-for-covid-19/#26931a5a47fa
Hume, N., 2012. Qantas agrees alliance with Emirates, Financial Times, September 6. Available at https://www.ft.com/content/7ba99556-f7c3-11e1-ba54-00144feabdc0
ITP Business Publishing, 2012. Airlines are ditching first class for expanded business class service, Skift, November 23. Available at https://skift.com/2012/11/23/airlines-are-ditching-first-class-for-expanded-business-class-service/

Jory, S., Benamraoui, A.,Tunahan, H., Citci, U.S., 2019. A Critical Examination of Etihad Airways Equity Alliance Strategy using a Case Study Approach, SSRN, February 6. doi: https://dx.doi.org/10.2139/ssrn.3328520.

Kerr, S., 2017. Tables turn for star Gulf carrier Qatar Airways, Financial Times, June 12. Available at https://www.ft.com/content/fbf1cd20-4f46-11e7-bfb8-997009366969

Kingsley Jones, M., 2013. Analysis: Are Etihad's 'equity alliances' redefining the industry? FlightGlobal, July 15. Available at https://www.flightglobal.com/analysis-are-etihads-equity-alliances-redefining-the-industry/110493.article.

Kinninmont, J., 2019. The Gulf Divided: The Impact of the Qatar crisis, Chatham House, May 30. Available at https://reader.chathamhouse.org/gulf-divided-impact-qatar-crisis#summary.

Murel, M., O'Connell, J.F., 2011. Potential for Abu Dhabi, Doha and Dubai Airports to reach their traffic objectives, Research in Transportation Business & Management. 1,1, 36-46. doi: https://doi.org/10.1016/j.rtbm.2011.06.004.

O'Connell, J. F., 2006. The changing dynamics of the Arab Gulf based airlines and an investigation into the strategies that are making Emirates into a global challenger. World Review of Intermodal Transportation Research 1(1), 94-114. doi: https://doi.org/10.1504/WRITR.2006.011154b.

O'Connell, J.F., 2011. The rise of the Arabian Gulf carriers: an insight into the business model of Emirates Airline, Journal of Air Transport Management. 17,6, 339-346. doi: https://doi.org/10.1016/j.jairtraman.2011.02.003.

O'Connell, J. F., 2012. An Examination of the World's Most Profitable Airline in 2009/10: The Emirates Business Model. In J. F. O'Connell & G. Williams (Eds.), Air Transport in the 21st Century: Key Strategic Developments, 401-424. Farnham: Ashgate Publishing Limited.

O'Connell, J. F., 2015. Commentary: US white paper on Gulf carriers distorts my academic report. Air Transport World. Available at http://atwonline.com/open-skies/commentary-us-white-paper-gulf-carriers-distorts-my-academic-report [Subscription Required]

O'Connell, J .F., Bueno, O.E., 2018. A study into the hub performance of Emirates, Etihad Airways and Qatar Airways and their competitive position against the major European hubbing airlines. Journal of Air Transport Management. 69, 257-268. doi: https://doi.org/10.1016/j.jairtraman.2016.11.006.

O'Connell, J. F., & Williams, G., 2010. Air Transport Development in the Middle East: A Review of the Process of Liberalisation and its Impact. Journal of Air Transport Studies, 1,1, 1-19. http://etem.aegean.gr/index.php/en/

Oum, T.H., Taylor, A.J., Zhang, A., 1993. Strategic airline policy in the globalising airline networks, Transport Journal, 32, 3, 14-30. https://www.jstor.org/stable/20713165

Piltz, C., Voltes-Dorta, A., Suau-Sanchez, P., 2018. A comparative analysis of hub connections of European and Asian airports against Middle Eastern hubs in intercontinental markets, Journal of Air Transport Management. 66, 1-12. doi: https://doi.org/10.1016/j.jairtraman.2017.09.006.

Qatar Airways, 2019. Qatar Airways 2018-19 Annual Report Highlights Strong Growth in Overall Revenue, up by 14 per cent year on year, Qatar Airways Press Release, September 18. Available at https://www.qatarairways.com/en/press-releases/2019/September/2019AnnualReport.html

Qatar Airways, 2020. Code-share partners, Qatar Airways. Available at https://www.qatarairways.com/en-mt/partners-codeshare.html

Sandle, P., 2015. Qatar Airways takes $1.7 billion stake in British Airways-owner IAG, Reuters, January 30. Available at https://uk.reuters.com/article/iag-m-a-qatar/qatar-airways-takes-1-7-bln-stake-in-british-airways-owner-iag-idINKBN0L30J520150130

Schlappig, B., 2018. The Sad Decline of Etihad, One Mile at a Time, June 14. Available at https://onemileatatime.com/the-sad-decline-of-etihad/

Skytrax, 2020. World's 5-Star Airlines. Available at https://skytraxratings.com/the-worlds-5-star-airlines

Squalli, J., 2014. Airline passenger traffic openness and the performance of Emirates Airline, Journal of Air Transport Management. 54, 138-145. doi: https://doi.org/10.1016/j.qref.2013.07.010.

Suau-Sanchez, P., Voltes-Dorta, A., & Cugueró-Escofet, N., 2020. An early assessment of the impact of COVID-19 on air transport: Just another crisis or the end of aviation as we know it? Journal of Transport Geography, 86, 1-8. https://doi.org/10.1016/j.jtrangeo.2020.102749.

Taneja, N., K., 2017. Airline Industry Poised for Disruptive Innovation. New York: Routledge.

The Economist, 2010. Rulers of the new silk road. The Economist, June 3. 1-7. Available at https://www.economist.com/briefing/2010/06/03/rulers-of-the-new-silk-road

2020-12-04

Viewing the Middle East big three (MEB3) carriers as heterogeneous

Aquilina-Spagnol, Clive

Elsevier

Aquilina-Spagnol C, Ellis D, Pagliari R. (2020) Viewing the Middle East big three (MEB3) carriers as heterogeneous. Transportation Research Procedia, Volume 51, December 2020, pp.323-332
https://doi.org/10.1016/j.trpro.2020.11.035